

## Community Development

Community Development partners with the community to enhance Bloomington through planning, economic development and redevelopment activities. The department promotes safety by obtaining compliance with state and City codes.

### 2000 highlights

- Completed redrafting and hearings on the Comprehensive Plan update, a guide for regulating development and redevelopment, coordinating infrastructure improvements and meeting housing and community service needs for the next 20 years.

- Completed Environmental Impact Statement for Mall of America Phase II.

- Provided financing for a shelter for battered women and added 25 Section 8 housing vouchers.

**Planning and Economic Development** defines future

direction through preparation of the Comprehensive Plan and zoning requirements. Staff works with developers to achieve compliance.

**Building and Inspection** reviews more than 14,000 residential and commercial permits each year. More than 22,000 inspections were conducted to ensure construction complies with health and safety codes. The division manages time-of-sale inspections of all homes to ensure durable, safe and valuable housing.

**Environmental Services** inspected more than 600 food establishments, 120 multi-family housing units, 30 hotels and 700 single-family rental units to guard public health. The division investigated 1,500 complaints this year concerning property maintenance and illegal storage of cars and materials.

2000 Expenditures	\$ 3,989,378
2001 Budget	\$ 4,371,339
Net property tax cost for average home per month	\$ 1.41

**Fire Prevention** conducted more than 6,000 inspections of commercial and industrial buildings, hotels, schools and multi-family dwellings. The division monitored 3,000 sprinkler and building fire alarm systems and investigated the cause and origin of fires.

**The Bloomington Housing and Redevelopment Authority (BHRA)** is governed by a five-member commission appointed by the Bloomington City Council. The BHRA helps provide housing for those who are not adequately served by the marketplace, coordinates the City's efforts to preserve existing neighborhoods and promotes development and

## Human Resources

Human Resources recruits and assists in hiring staff, oversees employee benefit programs and conducts employee relations activities on behalf of the City's personnel. The department also administers the City's job classification system.

### 2000 highlights

- Assisted in hiring 70 regular, full-time employees, including ten replacement police officers.

- Updated the City's Pay Equity and Affirmative Action programs and received Certificates of Compliance from the State of Minnesota.

- Revised the City's compensation and employee benefits program.

- Hired more than 400 seasonal employees for City-sponsored programs.

2000 Expenditures	\$ 483,372
2001 Budget	\$ 600,318
Net property tax cost for average home per month	\$ .60

## Legal

Legal advises the City Manager, City Council, departments and advisory boards and commissions.

### 2000 highlights

- Drafted construction contracts and acquired land for new City facilities.

- Negotiated amendments to development contract for Mall of America next phases.

- Made more than 10,700 criminal court appearances.

- Facilitated closure of Fat Tuesday bar for liquor violations.
- Implemented mediation-civil process for ordinance enforcement.

The City Attorney's Office is responsible for the criminal prosecution of crimes within Bloomington. The office handles the City's civil legal work, drafting ordinances, state legislation and resolutions. Additional services include contract preparation and negotiation, litigation, mediation and arbitration, legislative lobbying, real estate acquisition and providing legal advice.

2000 Expenditures	\$ 937,976
2001 Budget	\$ 951,540
Net property tax cost for average home per month	\$ .60

## Community Services

Community Services fosters opportunities for all residents.

### 2000 highlights

- Launched three capital improvements: replacement of Valley View Pool, construction of Normandale Lake Bandshell and an art center.

- Facilitated "FamiLink" Community Resource Center relocation to Creekside Community Center.

- Coordinated task force on non-smoking issues and formulated recommendations for the City Council.

- Completed Time Warner cable TV system upgrade.

- Initiated video-streaming of Council meetings.

- Coordinated a citywide resident survey, the first conducted since 1990.

**Parks and Recreation** over-

2000 Expenditures	\$ 6,990,246
2001 Budget	\$ 7,561,764
Net property tax cost for average home per month	\$ 6.17

sees development, preservation and management of the City's 3,700-acre parks system and organizes recreational activities.

**Human Services** promotes the physical, social and psychological well-being of individuals and families and administers Creekside Community Center.

**Public Health** provides home health care, clinical services, community health education and public health services.

**Communications** produces communications, including the *Briefing*, televised meetings and the Web site, and oversees the City's cable television franchise with Time Warner.

**Revenue Facilities** consist of Dwan and Hyland Greens golf courses, Bloomington Ice Garden, Valley View and Bush Lake aquatic recreation areas.

## Finance

Finance provides financial management services and internal support services to other departments.

### 2000 highlights

- Coordinated team presentation resulting in a bond upgrade to AAA by Standard & Poor's.

- Developed a 10-year Airport South Capital Improvement Plan utilizing Tax Increment Financing revenues to redevelop infrastructure and other improvement.

- Saved \$11,295,000 - the difference between projected insurance premiums and actual losses in the self-insured Workers' Compensation Program since 1986.

- Coordinated financing plan for major facilities including Police/City Hall, Public Works, art center and Valley View Pool.

**Finance** provides financial services to the City Manager, City Council, departments and agencies. The department coordinates the City's five-year Capital Improvement Program and Tax Increment Financing Plan.

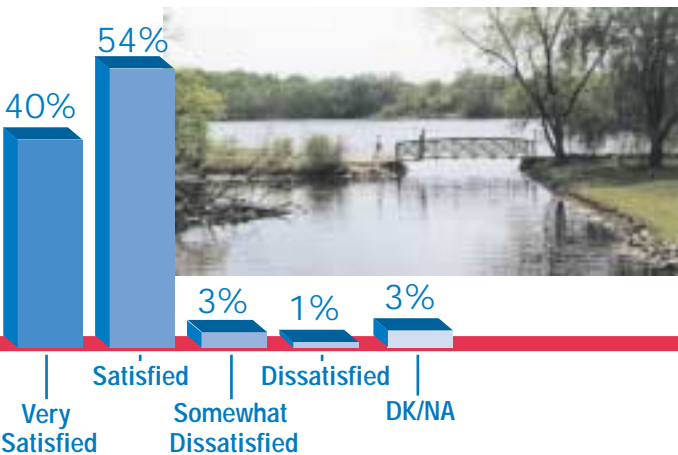
**Accounting** manages day-to-day financial transactions including payroll, accounts receivable, purchasing, accounts payable, billing, investments and general accounting.

**Audit** performs audits of businesses subject to local sales taxes and City operations and entities that, by contract, are subject to local oversight.

**Support Services** administers the Risk Management Program and manages telephone, distribution, mail and printing.

2000 Expenditures	\$ 1,129,058
2001 Budget	\$ 1,259,937
Net property tax cost for average home per month	\$ 1.25

Bloomington parks rank high in resident satisfaction. According to the survey, 94 percent said they were "very satisfied" or "satisfied" with the park system.



Source: City of Bloomington Community Survey, November 2000

## Technical Services Group

Technical Services furnishes licensing, assessment, election services, records management and cemetery services to residents.

### 2000 highlights

- Began data management system for direct computer records storage.

- Conducted three elec-

tions, including presidential election.

- Issued 126,060 licenses, including motor vehicle licenses.

**Assessing** determines the estimated market values of properties located within Bloomington's boundaries for tax purposes.

2000 Expenditures	\$ 1,654,659
2001 Budget	\$ 1,861,355
Net property tax cost for average home per month	\$ 1.67

**City Clerk** conducts state, city and school district elections, issues business and motor vehicle licenses and maintains records.





## Enterprise Funds

The Enterprise Funds consist of utilities, recreational facilities and contractual police services supported primarily by user fees. The following are operating expenses, excluding any debt service expenses, capital outlay or transfers to other funds.

### Public Works Water Utility

Water Utility operates the City-owned water system and Water Treatment Plant. See right for more on Water Treatment Plant capital expansion.

2000 Expenses	\$ 8,271,253
2001 Budget	\$ 8,881,881
Average fee per month based on 7,500 gallons	\$ 13.51

2000 Expenses	\$ 7,439,123
2001 Budget	\$ 7,568,617
Average fee per month	\$ 9.79

### Public Works Waste Water Utility

Waste Water Utility operates the City-owned sewer system.

2000 Expenses	\$ 1,731,651
2001 Budget	\$ 2,288,822
Average fee per month	\$ 3.48

### Public Works Storm Water Utility

Storm Water Utility operates and improves the storm water drainage system.

2000 Expenses	\$ 631,852
2001 Budget	\$ 642,380
Average fee per month	\$ 1.53

### Public Works Solid Waste Management

Solid Waste Management includes administration, consumer education, City property collections and the Curbside Cleanup Program.

### Community Services Recreation Facilities

This fund group includes:

- ◆ Aquatic facilities: Bush Lake Beach and the Valley View Pool and Waterslide.\*

These facilities are supported, in part, by a tax levy. Staff is primarily part-time, seasonal employees.

- ◆ Bloomington Ice Garden.
- ◆ City golf courses: Dwan and Hyland Greens.

\* The Valley View Pool and Waterslide will be closed for the 2001 season for reconstruction. See page CR7.

2000 Expenses	\$ 536,749
2001 Budget	\$ 615,000
Funding	User fees

### Public Safety Contractual Police

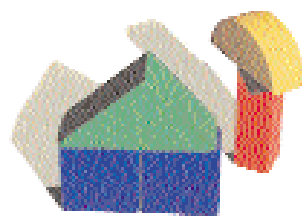
The Police Department provides contractual services to businesses for special events requiring assistance beyond that normally provided. Businesses are invoiced for overtime, related fringe benefits and overhead.

This fund clarifies the separation of basic and supplemental police services, allowing for more accurate fee calculations and better cost comparisons with other cities.

### Technical Services Motor Vehicle

The Motor Vehicle Division provides licensing and vehi-

2000 Expenses	\$ 414,195
2001 Budget	\$ 408,116
Funding	User fees



Monthly expenses for City services described on these pages use an “average” home with a 2000 assessor’s market value for taxes payable in 2001 of \$157,340.



The Water Treatment Plant is under construction to double its capacity. The expansion did not require an increase in water utility fees for 2001. The \$18 million improvement project is funded from reserves and current user fees. In the Water Utility Fund’s full budget for 2001, capital of \$11,784,355 is subtracted to arrive at the \$8,881,881 operating budget reported.

The plant’s completion is expected by 2002.

## 2000 Residential water and sewer rate survey

Monthly costs to residents in 16 metro area cities for water and sewer service varied greatly in 2000, from \$45 per 7,500 gallons in Minneapolis to \$22 in Maple Grove. Less than half of the cities, including Bloomington, soften their water before distribution to residents.

The City’s softened water and sewer services are bargains at only \$23 per 7,500 gallons - another example of how the City’s quality services are a good value for your utility dollar.

## Special Revenue Funds

These funds were established to account for revenues used for specific purposes.

### Community Development Block Grant

This fund accounts for money received under federal government programs for housing and community development.

2000 Expenditures	\$ 1,037,779
2001 Budget	\$ 523,000
Funding	Federal grants

### Community Services Communications

◆ Negotiates and monitors Cable TV franchise with Time Warner Cable and contracts to BEC-TV and BPTV.

- ◆ Provides City programs on the Bloomington Channel 14.
- ◆ Maintains City Web site.
- ◆ Coordinates production of the *Bloomington Briefing*, which averages 23¢ per issue per household for external costs, including mailing.

### Community Services Public Health Special Revenue

The fund accounts for a Local Collaborative Time Study Grant, the Mall of America “Sage Clinic” and a State Incentive Grant used to prevent and reduce youth alcohol and marijuana use.

2000 Expenditures	\$ 343,677
2001 Budget	\$ 602,803
Funding	State health grants

### Public Safety Police Special Revenue

This fund receives proceeds from forfeited assets and state grants to use for various police activities. The taxpayer

burden is reduced by taking profit and means away from lawbreakers to pay for enhanced law enforcement efforts.

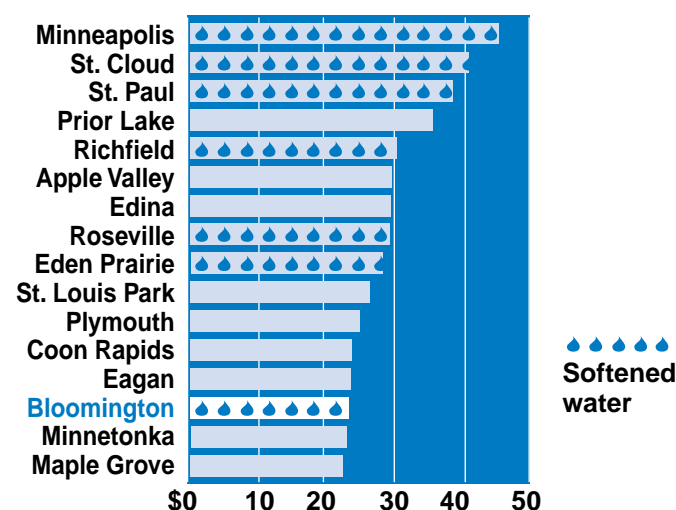
### Public Safety Pension Residual Asset Fund

This fund accounts for proceeds reimbursed from the state administered Police Consolidated Pension fund and will be used as follows:

- ◆ **Police facility** - An amount equal to the portion of the City police facility will be used for police operations.
- ◆ **Police capital** - To replace or upgrade police equipment and technology needs.
- ◆ **Defray police operating expenses** - The remainder, including interest, will be used over 20 years to defray operating costs, thereby lowering the tax levy.

2000 Expenditures	\$ 6,093,164
2001 Budget	\$ 4,250,000
Funding	One-time reimbursement

### Cost for residential water per month







## Internal Services Funds

These funds account for the financing of goods or services provided by one department to another department on a cost-reimbursement basis. Most of the Internal Services Funds are supported by user charges already included as expenses to other funds in this report. The following are operating expenses and do not include debt service, capital outlay or transfers to other funds.

### Equipment Division Equipment Pool

Pays for the operation, maintenance, repair and replacement of City vehicles and equipment. User departments pay fees that fund vehicle operation and replacement.

Fleet additions are funded through a general property tax levy, or from a transfer of funds, if the purchase is for an enterprise operation.

2000 Expenses	\$ 3,612,329
2001 Budget	\$ 3,187,425
Funding	Supported by internal user fees

### Facilities Replacement

Accounts for the replacement, development and maintenance of City buildings and structures. See

2000 Expenses	\$ 2,551,076
2001 Budget	\$ 1,720,106
Funding	Supported by internal user fees

*“Facilities replacement” on page CR8 for more information.*

### Information Systems

Provides the City with computer hardware and software as needed. Information Systems coordinates the networking and communications of the system in accordance with the City's long-range information systems plan.

2000 Expenses	\$ 1,824,870
2001 Budget	\$ 2,250,108
Net property tax cost for average home per month	\$ .33

2000 Expenses	\$ 323,792
2001 Budget	\$ 372,526
Funding	Supported by internal user fees

### Public Safety Radio

Supports the operations of the portable, mobile and base radios used throughout the City.

### Self-insurance

Accounts for payments of insurance premiums and claims. The City is self-insured for Worker's Compensation claims. General and auto liabilities are insured by the League of Minnesota Cities Insurance Trust.

*\*A specific budget is not developed; however, working capital goals and insurance reserves are established and maintained.*

2000 Expenses	\$ 1,178,864
2001 Budget*	Not budgeted
Funding	Supported by internal user fees

### Support Services

Provides mailroom, telephone/voice mail and print shop services support to all operating divisions.

2000 Expenses	\$ 604,504
2001 Budget	\$ 679,236
Funding	Supported by internal user fees

## Capital Funding Projects

Capital Funds purchase and improve major assets such as land, structures, equipment and streets. Major projects in 2001 include:

### Parks

During 2000, the City approved \$2.5 million to improve neighborhood parks and playgrounds, including \$400,000 to renovate City-owned athletic fields at Normandale Community College, \$500,000 for Smith Park and \$1.2 million for a new bandshell at Normandale Lake.

### Aquatics

In 1999, the Council approved replacement of Valley View Pool based on recommendations from the Aquatics Facilities Task Force. The estimated cost of \$3.6 million will be taken entirely from existing funds. Construction is scheduled for summer 2001 with completion in spring 2002. Amenities will include zero-depth entry, water play features

and a renovated bathhouse.

Another \$200,000 has been approved for water play areas to be installed throughout the City park system.

The \$3.8 million for aquatics is included in the 2001 total budget prior to reducing capital costs to arrive at the operating budget.

### Pavement Management

This is a funding and implementation plan for repair, maintenance and reconstruction of Bloomington roadways. Needs are identified and funded through state aids, assessments and an annual levy. To maximize efficiency, the most opportune time to repair streets is calculated and the funding needs are levied over several years.

2000 Expenditures	\$ 12,594,004
2001 Budget	\$ 13,483,300
Net property tax cost for average home per month	\$ .37

Expenditures of \$3.6 million are budgeted for this program in 2001.

### Property Rehabilitation Initiatives

Since 1997, the City has set aside \$3.4 million for property enhancement initiatives such as rehabilitation and replacement of substandard property. Actual expenditures through 2000 totaled \$1,708,150. For 2001, an additional \$509,232 was added to this fund.

*For City Hall/Police facilities, art center and Public Works addition, see page CR8. ♦*

## Debt Services Funds

This fund accounts for principal and interest payments and related fees to service the City's debt.

As outlined in the Capital Improvement Plan and the Pavement Management Program, many community needs must be met by the City of Bloomington. The future debt capacity will allow the City to issue debt to provide for our community's upkeep and renewal without substantially increasing property taxes for debt service.

### Future debt capacity shows level of anticipated new debt

The City's total outstanding General Obligation debt on December 31, 2000, was \$21,880,000. The current debt will drop to \$10,955,000 in 2005. The ability to retire at least half of a city's debt in ten years is considered a strength. Bloomington can achieve this

2000 Expenditures	\$ 8,459,239
2001 Budget	\$ 5,539,754
Net property tax cost for average home per month	\$ 2.72

in five years, demonstrating the City's financial strength.

The total debt principal and interest payments due in 2001 are \$4,840,864, of which \$1,967,663 is raised through levies. ♦

## Long-term debt finances projects

### Outstanding, long-term debt

<b>Housing General Obligation Revenue Bonds</b>	<b>\$ 8,365,000</b>
<b>Port Authority Bonds</b>	<b>54,200,000</b>
<b>City of Bloomington Debt</b>	
Storm Water Revenue Bonds	1,475,000
Storm Water Refunding Bonds	905,000
Recreational Facility Bonds (Ice Arena)	2,160,000
Art Center Bonds	7,200,000
Park Bonds	930,000
Park Refunding Bonds	670,000
Fire Station Bonds	2,160,000
Fire Station Refunding Bonds	1,905,000
Street and Infrastructure PIR Bonds	9,015,000
<b>TOTAL</b>	<b>\$ 88,985,000</b>
Less: Revenue funded bonds	(57,835,000)
Amount on hand	(11,596,986)
<b>NET DEBT as of 12/31/00</b>	<b>\$19,553,014</b>
<b>NET DEBT per capita</b>	<b>\$229</b>

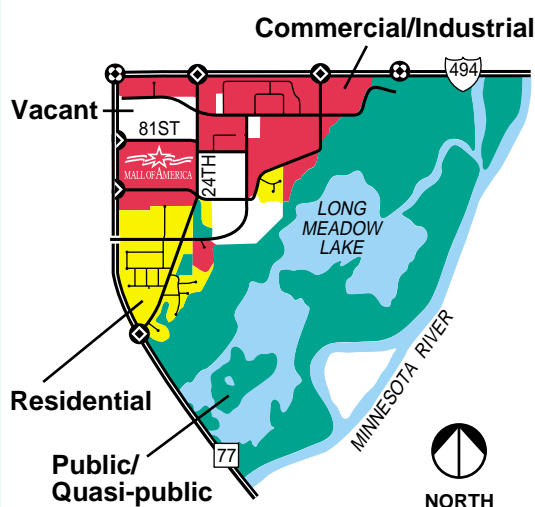


## Airport South Plan revitalizes city

To encourage and promote economic development for Bloomington, the Airport South Development Plan was initiated in 1981. The plan includes improving the public infrastructure in the area in order to attract new business developments. More commerce ensures employment opportunities and an increase in the City's tax base.

The Airport South District is east of TH77 (Cedar Avenue), south of I-494, and north and west of the Minnesota River. Land use within the district is mainly commercial and industrial, although some residential areas exist.

### Airport South District



The first round of infrastructure improvements occurred prior to the Mall of America opening in 1992. The City is now preparing for the second round of development.



### Area road improvements

In 1997, \$7.6 million was committed to improvements for Airport South which included:

- ◆ 80th Street from 24th to 34th Avenue.
- ◆ 82nd Street from 24th to 28th Avenue.
- ◆ 28th Avenue from 80th Street to East Old Shakopee Road.

Funded through tax increment financing (TIF) revenues from pooled districts in the area, the \$50,000 remaining from the initial sum is expected to be spent in 2001.

### Projects that support development

TIF is a financing tool used to capture the increased property tax revenues of new development. Over a period of years, it is used to repay debt or to pay costs incurred for public infrastructure improvements that support the new development. Projects include street reconstruction, streetlights, signage, and utility and stormwater improvements.

### Developments

The Mall of America was the stepping stone to revitalization in the area. The City entered into a development contract in 1988 with the Mall of America Company that included funding of public improvements through TIF. The Mall's property taxes, lodging and liquor taxes and interest earnings are used to repay this debt. Responding to the Mall of America development, many new businesses

such as restaurants and hotels have moved into the area.

### Future projects

In 2000, the City Council adopted a plan that identified funding for \$41.3 million of Airport South projects planned for construction through 2010. To fund improvements, the Bloomington Port Authority may remit to the City the revenue collected in any one year that is not used to fund debt commitments for that specific year. Anticipated expenditures for this project in 2001 total \$2.9 million. ◆



## Facilities replacement

A new municipal campus for Police facilities, City Hall and an arts center plus an addition for Public Works is underway. A task force concluded City facilities should be enhanced to improve customer service and provide the best long-term value to the community.

The task force recommended a campus of City facilities centered at 98th Street and James Avenue. While the costs were greater to acquire and redevelop this site, a majority of the City Council directed staff to purchase the parcels, agreeing that this would be the best long-term investment.

### Financial strategy

The new facilities will be funded from on-hand reserves and existing revenue streams with the exception of the arts center. Savings were accumulated and set aside for replacement of facilities. The benefits of building reserves in this way for capital projects include:

- ◆ Not having to issue debt and pay interest.
- ◆ Today's users pay today's costs.
- ◆ Stabilized taxes by spreading costs over many years.

There will be no additional taxes to fund the capital facilities other than those for the arts center, which were approved by voter referendum.

### Positive performance

By keeping the City levy well below the Consumer Price and Community Growth Indexes, **Bloomington taxpayers have saved more than \$13 million since 1993.** In the past few years, revenues have exceeded expectations and expenditures have been less than budgeted. This positive performance has allowed for \$21 million to be reinvested in the community through priorities such as housing, parks replacement, commercial/industrial initiatives and new City facilities. Our city continues to rank eighth lowest in tax rates in the metropolitan area while providing quality services that are a good value for your tax dollar. See page CR2.

### Police and City Hall

The City has purchased all of the land for the campus site and is finalizing the design and construction budget. Construction of the new facilities is scheduled to begin in fall 2001 with a completion date of February 2003.

### Public Works addition

Construction is underway at the Public Works site at James Avenue. Approximately 71,000 square feet of vehicle equipment storage will be built. A 2,100 square foot repair garage addition will be constructed, along with 15,240 square feet of new offices. The project is expected to be completed by spring 2002.

### Arts center

By referendum, Bloomington voters approved a \$7.2 million bond for a proposed arts center. The 40,000 square foot facility includes a 400-seat theater and will be part of the new municipal campus.

### Budget

The Police/City Hall facilities, Public Works addition and art center are expected to take two years to complete with a total cost of \$51.2 million.

### Anticipated capital cost

	2001	Total
Police/City Hall facilities	\$17,397,400	\$34,000,000
Public Works addition	\$9,636,000	\$10,000,000
Arts center	\$1,997,500	\$7,200,000

The City Council presents this corporate report, which uses financial and related information on our operations, to show how Bloomington's city government is performing.

Mayor Gene Winstead (h) 952-888-1258; (w) 952-887-5324  
mayor@ci.bloomington.mn.us

Councilmembers: council@ci.bloomington.mn.us

Dave Abrams (h) 952-885-0506

Alisa Ornat (h) 952-944-1156

Steve Peterson (h) 952-884-3262

Heather Harden (h) 952-835-5919

Vern Wilcox (h) 952-854-1425

Mike Fossum (h) 952-885-9056

City Manager Mark Bernhardson 952-563-8780  
citymanager@ci.bloomington.mn.us

### About this report

The City of Bloomington reports financial year-end results in a 155-page report called the *Comprehensive Annual Financial Report* (CAFR). This popular report summarizes the most significant data from the 2000 CAFR and the 2001 Budget Document.

The *City of Bloomington Corporate Report to the Community* is unaudited. We have used a popular report to communicate financial information for the past five years.

For a complete review of the City's financial position for 2000, consult the CAFR for the Year Ended December 31, 2000, available in the Hennepin County Library or from the City.

Please contact us at 952-563-8790 for further information.

### What do you think?

This popular format financial report was developed by the Finance Department with the assistance of staff throughout the City. We wish to thank everyone who has provided feedback.

Direct your comments and suggestions to the Finance Department, phone: 952-563-8790, E-mail: finance@ci.bloomington.mn.us. To find out more about the City of Bloomington's